

RAPID-AMERICAN CORPORATION

500,000 SHARES OF COMMON STOCK RESERVED FOR ISSUANCE UNDER THE 1973 QUALIFIED STOCK OPTION PLAN

300,000 SHARES OF COMMON STOCK RESERVED FOR ISSUANCE UPON EXERCISE OF NON-QUALIFIED STOCK OPTIONS GRANTED TO TWO EXECUTIVE OFFICERS

Shares Outstanding as of
November 15, 1973:

122,466 Shares of Class B
Senior Cumulative
Convertible (\$3)
Preferred Stock

390,158 Shares of \$2.25
Cumulative Convertible
Junior Preferred Stock

8,981,923 Shares of
Common Stock
(excluding 1,000 shares
held in the Treasury)

Holders of Record as of
November 15, 1973:

2,662 Holders of Class B
Senior Cumulative
Convertible (\$3)
Preferred Stock*

1,117 Holders of \$2.25
Cumulative Convertible
Junior Preferred Stock*

30,164 Holders of
Common Stock*

DESCRIPTION OF TRANSACTION

This application for listing covers:

(a) 500,000 shares of Common Stock, par value \$1.00 per share ("Common Stock"), of Rapid-American Corporation (the "Company") reserved for issuance under the 1973 Qualified Stock Option Plan of the Company (the "Plan"); and

(b) 300,000 shares of Common Stock of the Company reserved for issuance upon exercise of non-qualified options granted to two executive officers of the Company to purchase 150,000 shares each of Common Stock of the Company (the "Non-Qualified Options").

Descriptions of the Plan and the Non-Qualified Options are set forth in the Proxy Statement of the Company, dated April 30, 1973 (the "Proxy Statement"), and accompanying Exhibits, which is attached to and made a part of this application.

Of the consideration to be received by the Company upon the exercise of options granted under the Plan and upon the exercise of the Non-Qualified Options, \$1.00, being the par value of the Common Stock of the Company, will be credited to Capital Stock and the excess will be credited to Additional Paid-In Capital.

* Includes holders of certificates for securities of predecessor corporations exchangeable for such securities of Rapid-American Corporation.

RECENT DEVELOPMENTS

There have been no important recent developments in the business and condition, financial or otherwise, of the Company which have not received publicity.

AUTHORITY FOR ISSUANCE

The Plan and the reservation of the shares of Common Stock thereunder covered by this application and the Non-Qualified Options and the reservation of the shares of Common Stock to be issued upon exercise thereof covered by this application were authorized by the Board of Directors of the Company on January 24, 1973 and by the Stockholders of the Company at the Annual Meeting held on May 30, 1973.

OPINION OF COUNSEL

Messrs. Fried, Frank, Harris, Shriver & Jacobson, 120 Broadway, New York, New York have filed an opinion with the New York Stock Exchange, Inc. in support of this application to the effect that:

1. The reservation for issuance of 500,000 shares of Common Stock under the Plan and 300,000 shares of Common Stock upon exercise of the Non-Qualified Options has been duly authorized by all necessary corporate action on the part of the Company; and
2. Such shares of Common Stock, when issued upon exercise of options granted pursuant to the Plan or upon exercise of the Non-Qualified Options, as the case may be, will be validly issued, fully paid and non-assessable, with no personal liability attaching to the respective holders thereof either under the laws of the State of Delaware, where the Company is incorporated, or under the laws of the State of New York, where the Company has its principal executive offices.

UNDERTAKING BY THE COMPANY

The shares of Common Stock issuable pursuant to the Plan and upon exercise of the Non-Qualified Options will, prior to issuance, either be registered under the Securities Act of 1933, as amended (the "Act"), or the Company will furnish to the New York Stock Exchange, Inc. an opinion of counsel satisfactory to the Exchange to the effect that such shares are exempt from registration under the Act. A Registration Statement on Form S-8 under the Act relating to the 500,000 shares issuable under the Plan has been filed with the Securities and Exchange Commission, but has not yet become effective.

RAPID-AMERICAN CORPORATION

By: ANTHONY W. TRAPANI,
Vice President and Treasurer

The New York Stock Exchange, Inc. hereby authorizes the listing upon official notice of issuance of:

- 500,000 additional shares of Common Stock, par value \$1.00 per share, of Rapid-American Corporation reserved for issuance under its 1973 Qualified Stock Option Plan,
- 300,000 additional shares of Common Stock, par value \$1.00 per share, of Rapid-American Corporation reserved for issuance upon exercise of Non-Qualified Stock Options granted to two executive officers,

making a total of 17,738,713 shares of Common Stock authorized for listing.

MERLE S. WICK, Vice President,
Division of Stock List

JAMES J. NEEDHAM, Chairman of the Board
New York Stock Exchange, Inc.